

Twitter Thread by [Aditya Shah](#)

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**Aadhar
UPI & now
Open Network for Digital Commerce(ONDC)**

**As ONDC starts testing in Bengaluru!
ONDC is yet another UPI moment(game changer) in e-commerce**

A thread on what is ONDC? How will it revolutionize e-commerce in India?

Hit "Retweet" to educate people

Lets go

(1/21)



How Big is India's e-commerce market?

In India, the Gross Merchandising Value (GMV) for the digital commerce retail market was **2.85 Lakh Crores (US\$ 38 billion)** in 2020.

(2/21)

Kirana Stores are physical in Nature:-

In India, around 1.2 crore Kirana stores, which are hyperlocal neighborhood provision stores, account for 80% of the retail sector, but most of these stores are digitally excluded.

(3/21)

India had 4.25 crore Micro, Small and Medium Enterprises (MSMEs) that could benefit from the digital revolution, the paper adds.

(4/21)

Currently, only about 20% of internet users in India are online shoppers.

By 2030, we can expect this to grow to nearly 50 crores,

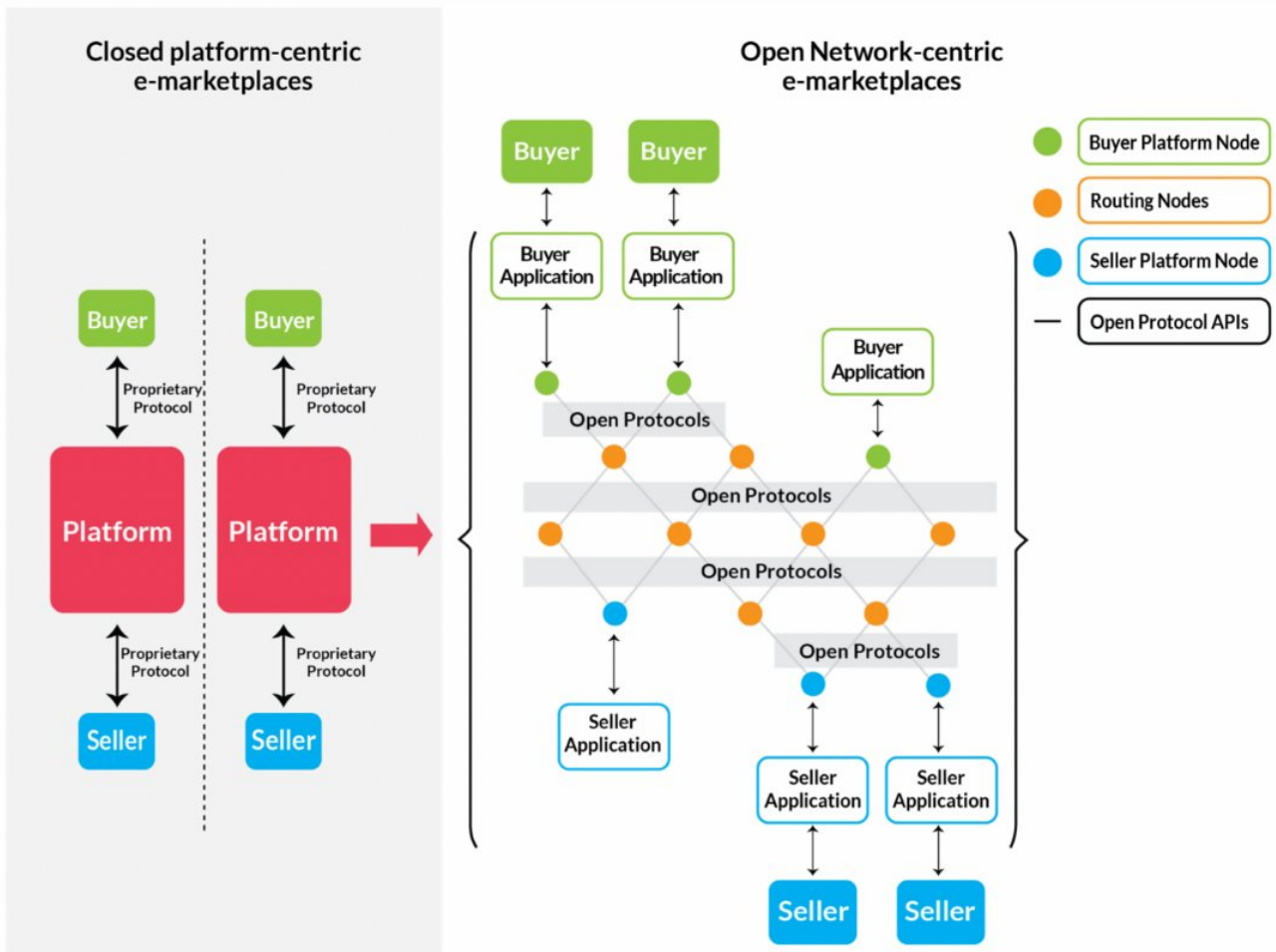
(5/21)

What is ONDC?

The government of India in April launched its ONDC as an alternative to dominant global giants Amazon and Walmart in its rapidly growing e-commerce market.

It will be an open Network i.e anybody can sell any service on the platform

(6/21)



It is basically a network of a number of small and large-scale e-commerce players which aims towards breaking the dominance of firms like Amazon and Flipkart in India.

(7/21)

This open network will allow local commerce across important segments like grocery, food delivery, hotel booking, travel bookings, and more to be discovered and engaged by any network-enabled app

(8/21)

ONDC basically wants to bring in small Kirana stores on digital platform at virtually Zero cost.

This will help them digitalize and help them source buyers better

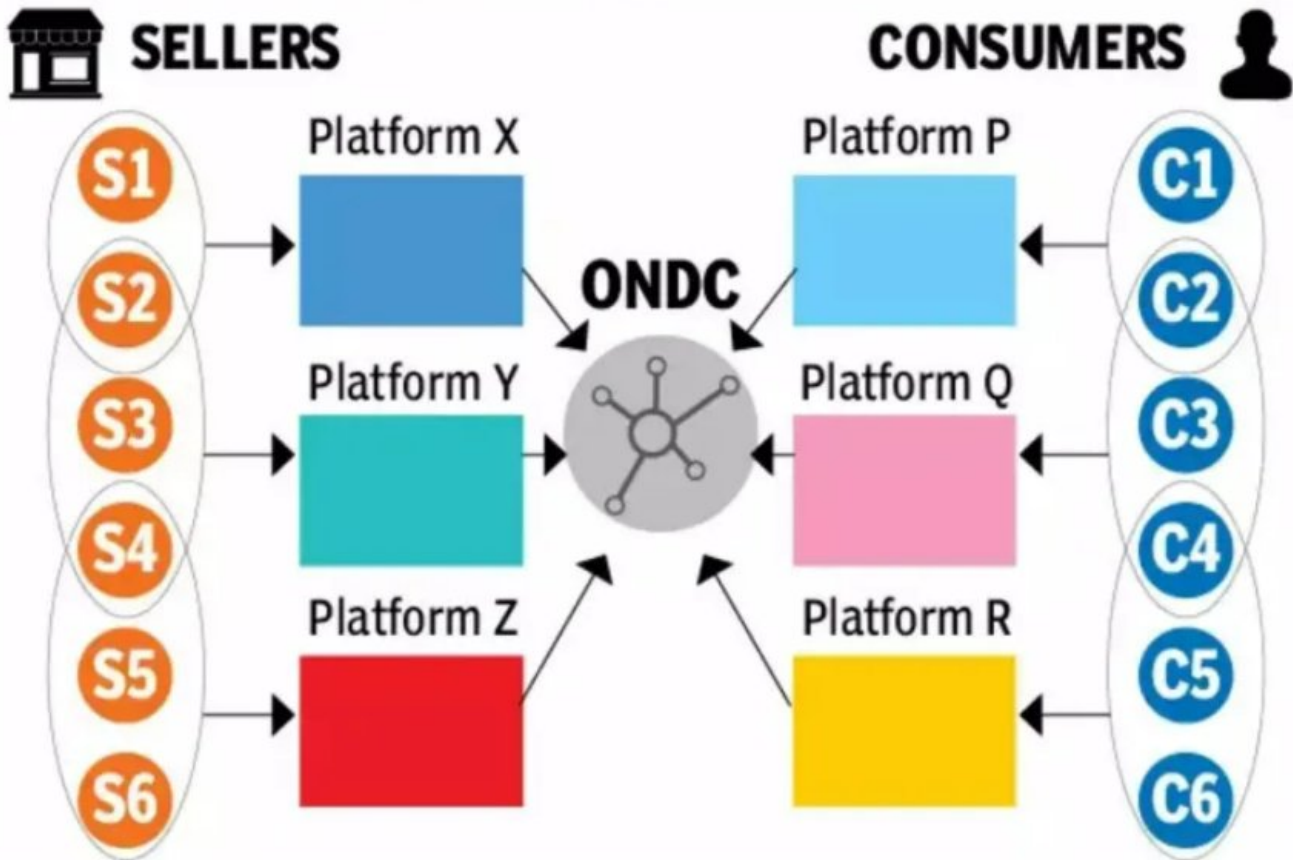
(9/21)

How does ONDC work?

The initiative aims to create new opportunities and curb digital monopolies by supporting micro, small and medium enterprises, and small traders to get them on online platforms.

(10/21)

Transactions Across Platforms



Who owns ONDC?

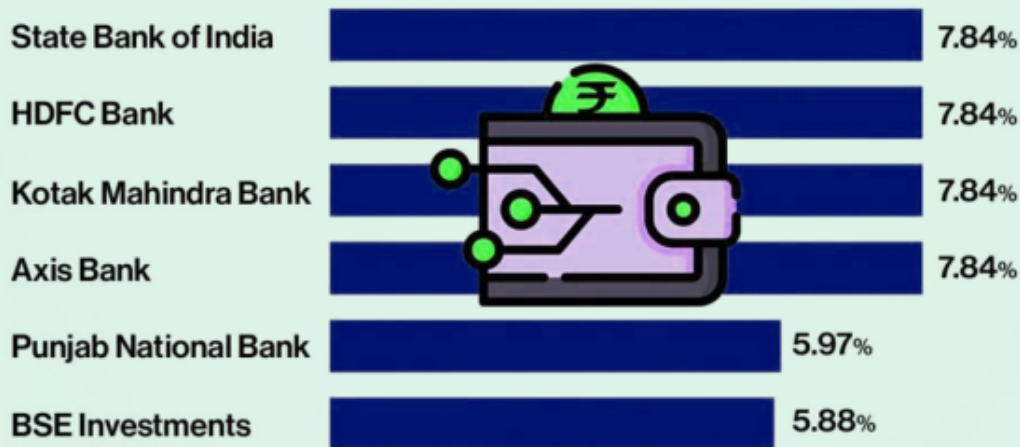
ONDC is a govt of India Initiative.

Besides this many Banks have taken stake in the project.

Many big players like Flipkart and Dunzo are fully integrated on the platform.

(11/21)

ONDC STAKEHOLDERS:



Where is ONDC operational?

The pilot phase was launched on 29 April 2022 in five cities;

New Delhi,
Bengaluru,
Bhopal,
Shillong and
Coimbatore.

In April, Bengaluru based Woolly Farms received an order from buyer application Paytm.

(12/21)

How will ONDC boost transactions?

ONDC targets to raise e-commerce reach in the next 2 years to 25% of India's consumer purchases, from 8% currently, in a country of over 1.35 billion people.

(13/21)

As for buyers, its target is signing 900 million buyers onboard and targeting 1.2 million sellers on the shared network within the next 5 years, while achieving a gross merchandise value of 48 billion dollars.

(14/21)

Currently, more than 60% of India's e-commerce market is controlled by Amazon and Flipkart, which will change if ONDC becomes successful in achieving its target.

(15/21)

What are the benefits of ONDC?

For sellers:-

1. Access to more buyers
2. Better discoverability of products and cost
3. Autonomy on terms because of multiple choices for being digitally visible
4. Lower cost of doing business

(16/21)

For Buyers:-

1. Access to more sellers and therefore more choices
2. Better service and faster deliveries due to access to hyper-local retailers
3. Better customer experience

(17/21)

For technology platforms:

1. New opportunities for start-ups to drive innovation in various parts of the network
2. Access to the growth of digital commerce through buyer and seller side applications
3. Reduced time-to-market and time-to-scale

(18/21)

Nandan Nilekani explains in this video how ONDC will be used to:-

Use technology to democratize and build a small kirana ecosystem to push e-commerce in India.

See here■

(19/21)

<https://t.co/5fPvEcxtnD>

Who all are registered on ONDC?

Microsoft has joined the government to help build ONDC.

Besides this sellers like amazon, Flipkart and Dunzo are already integrated on ONDC.

A fully integrated eco-system with small Kirana store onboarding has now started.

(20/21)

ONDC is India's UPI moment in e-commerce:-

As ONDC grows it will do what UPI did for India.

It will break the dominance of foreign platforms like Amazon and Flipkart.

It will democratize e-commerce in India.

Kudos to the Indian Government for building it.

(21/21)

And that is it - follow me [@AdityaD_Shah](#) if this thread gave you value.

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